

RECORDATION NO. 21446-A FILED

LAW OFFICES

ROSS & HARDIES

JUL 8 '98

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A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601-7567

312-558-1000

WRITER'S DIRECT LINE
(312) 750-8655

PARK AVENUE TOWER
65 EAST 55TH STREET
NEW YORK, NEW YORK 10022-3219
212-421-5555

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08873
732-563-2700

888 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-4103
202-296-8600

TELECOPIER
312-750-8600

SUSAN G. LICHTENFELD

July 7, 1998

VIA OVERNIGHT COURIER

Mr. Vernon A. Williams
Secretary
Office of the Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Attention: Janice Fort, Room 2311

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two original executed copies and two photostatic copies of a Termination of Security Agreement, dated as of June 24, 1998 (the "Termination Agreement"), between Freight Car Services, Inc. and General Electric Railcar Services Corporation, which Termination Agreement is a secondary document as defined in the Commission's Rules for the Recordation of Documents. The Termination Agreement relates to that certain Memorandum of Railcar Security Agreement, dated as of May 27, 1998 (the "Security Agreement"), between Freight Car Services, Inc., as the Secured Party, and General Electric Railcar Services Corporation, as the Debtor, which Security Agreement was duly recorded and filed, pursuant to 49 U.S.C. Section 11301, with the Surface Transportation Board on June 4, 1998 and assigned recordation number 21446.

The names and addresses of the parties to the enclosed Termination Agreement are:

Secured Party: Freight Car Services, Inc.
2313 Cannon Street
Danville, Illinois 61832

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BOARD

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Debtor: General Electric Railcar Services Corporation
33 West Monroe Street
24th Floor
Chicago, Illinois 60603

A description of the railroad equipment covered by the enclosed document is set forth in the Termination Agreement.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped original copy and two stamped photostatic copies of the enclosed document and the stamped photostatic copy of this letter to Susan G. Lichtenfeld at Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Document to be Recorded

Termination of Security Agreement, dated as of June 24, 1998, between Freight Car Services, Inc. and General Electric Railcar Services Corporation, which relates to and terminates the Memorandum of Security Agreement dated as of May 27, 1998.

Document to Which it Relates

Memorandum of Railcar Security Agreement, dated as of May 27, 1998, between Freight Car Services, Inc., as Secured Party, and General Electric Railcar Services Corporation, as Debtor, duly recorded and filed, pursuant to 49 U.S.C. §11301, with the Surface Transportation Board on June 4, 1998 and assigned Recordation Number 21446.

Very truly yours,


Susan G. Lichtenfeld

SGL/vgc

Enclosure

cc: Robert W. Kleinman
Joseph A. McQuade

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TERMINATION OF SECURITY AGREEMENT

THIS TERMINATION OF SECURITY AGREEMENT is made this 24th day of June, 1998, by and between FREIGHT CAR SERVICES, INC. ("FCS"), and GENERAL ELECTRIC RAILCAR SERVICES CORPORATION ("GE Railcar").

WHEREAS, FCS and GE Railcar are parties to a Memorandum of Railcar Security Agreement, dated as of May 27, 1998 (the "Security Agreement"); and

WHEREAS, the Security Agreement created a lien and security interest in favor of FCS in and to the railcars described on Schedule 1 attached hereto (the "Equipment"); and

WHEREAS, the Security Agreement was duly filed for recordation with the Surface Transportation Board (the "STB") pursuant to 49 U.S.C. Section 11301, on June 4, 1998, at 10:04 a.m. and given Recordation Number 21446; and

WHEREAS, FCS and GE Railcar desire to terminate and cancel the Security Agreement and to record such termination and cancellation with the STB;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FCS and GE Railcar, intending to be legally bound, agree as follows:

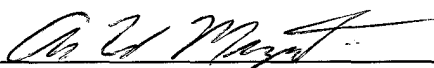
1. FCS and GE Railcar hereby terminate and cancel the Security Agreement, effective as of the date this Termination of Security Agreement is filed with the STB, and FCS and GE Railcar hereby agree that no rights, duties or liabilities under the Security Agreement shall survive such termination and cancellation of the Security Agreement, except with respect to acts, events, or omissions under the Security Agreement occurring on or prior to the date hereof.

2. The parties agree to record this Termination of Security Agreement with the STB so as to release any lien against the Equipment created by or arising out of the Security Agreement.


3. This Termination of Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together constituting only one and the same agreement.

IN WITNESS WHEREOF, FCS and GE Railcar have caused this Termination of Security Agreement to be executed as of the day and year first above written.

FREIGHT CAR SERVICES, INC.

By 
Its Controller

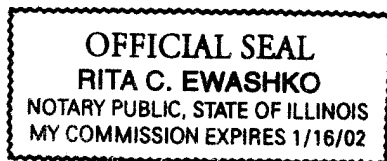
GENERAL ELECTRIC RAILCAR
SERVICES CORPORATION

By 
Its VICE PRESIDENT

STATE OF ILLINOIS)
): SS
COUNTY OF VERMILION)

On this, the 2 day of June, 1998, before me, a Notary Public in and for said County and State, personally appeared Alan W. Morgan of FREIGHT CAR SERVICES, INC. who acknowledged himself to be a duly authorized officer of FREIGHT CAR SERVICES, INC., and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



Rita C. Ewashko
Name:
Notary Public
My Commission Expires:
Residing in _____

STATE OF ILLINOIS)
): SS
COUNTY OF COOK)

On this, the ____ day of _____, 1998, before me, a Notary Public in and for said County and State, personally appeared _____ of GENERAL ELECTRIC RAILCAR SERVICES CORPORATION, who acknowledged himself to be a duly authorized officer, of GENERAL ELECTRIC RAILCAR SERVICES CORPORATION and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

Name:
Notary Public
My Commission Expires:
Residing in _____

SCHEDULE 1
TO TERMINATION OF SECURITY AGREEMENT

240 Aluminum BethGon Coalporter Cars bearing road marks
and numbers (all inclusive):

CWEX 6356 through CWEX 6595